

4. Motivation and Leadership

Motivation

The word Motivation is derived from the Latin terms “**Movers**” which means to “**Move**”. Motivation can be defined as the process of activating, maintaining and directing behaviour towards a particular goal. The process is usually terminated once the desired goal is attained by the person.

“*"To motivate is to induce people to act in a desired manner"* - **Koontz and O'Donnell**
"Motivation is the art of stimulating someone or oneself to make desired course of action".
- MJ Jucius
"It has been concerned with "How behavior gets started is energized is sustained, is directed, is stooped and what kind of subjective reaction is present in the organization while all of this is going on"
M.R. Jones

In most of case Motivation comes from some needs to behavior that results in some type of reward when the need is fulfilled. Motivation involves a constellation of beliefs, perceptions, values, interests, and actions that are all closely related. As a result, various approaches to motivation can focus on cognitive behaviors (such as monitoring and strategy use), non-cognitive aspects (such as perceptions, beliefs, and attitudes), or both.

Intrinsic motivation can be defined as doing an activity because of inherent satisfaction. A person, who engaged into action, does it because of fun or invocation involves rather than because of external pressures or rewards

Extrinsic motivation drives by external rewards. All people might want to deserve rewards like fame, money, grades and etc. Competition is also a part of extrinsic motivation because it predicts that competitor's wish is extrinsic as they compete with each other to achieve more money or fame or marketing recognition.

Key Concepts of Motivation

1. Needs and Motives : *A need is a condition of lack or deficit of something required by the organism. In order to maintain homeostasis or balance the organism finds it necessary to satisfy the needs.*

The needs may be broadly categorized as, primary or physiological needs and secondary or social needs. Needs for food, water, sleep and rest, and elimination are primary needs.

Needs for achievement, affiliation, power are examples of social needs. Social needs include need for prestige, status, affection, self-esteem, and so on.

2. Goals : *Thinking about the goal motivates a person to organize his or her action.* If hunger is a need, eating food is a goal. Thus goal is related to the need state. However, in certain cases, behavior is also guided by intrinsic goals. It means behavior does not always need external goal.

3. Incentives : *Incentives refer to the goal objects which satisfy the needs.* Incentives vary in quality and quantity which make them less or more satisfying and attractive. Thus, one can put in greater amount of effort to attain a more attractive incentive. As a matter of fact, many incentives assume considerable significance in the lives of people and they do every -thing possible to attain those incentives

4. Instincts : *Instinct is an old concept in the field of motivation. It is defined as an innate biological force that predisposes the organism to act in a certain way. At one time all behaviours were supposed to be results of certain instincts. Some of the instincts identified by early psychologists are fight, repulsion, curiosity, self-abasement, acquisition etc. It was thought that instincts were inherited and compelling sources of conduct, but can be modified by learning and experience. This term is no more used in relation to human behavior.*



There are many competing theories, which attempt to explain the nature of motivation. These theories are all, at least, partially true, and all help to explain the behavior of certain people at certain times. However, the search for a generalized theory of motivation at work appears a vain quest. Motivation varies over time and depending up on the circumstances.

1. Cognitive Theories of Motivation are Usually Divided into Two Contrasting Approaches

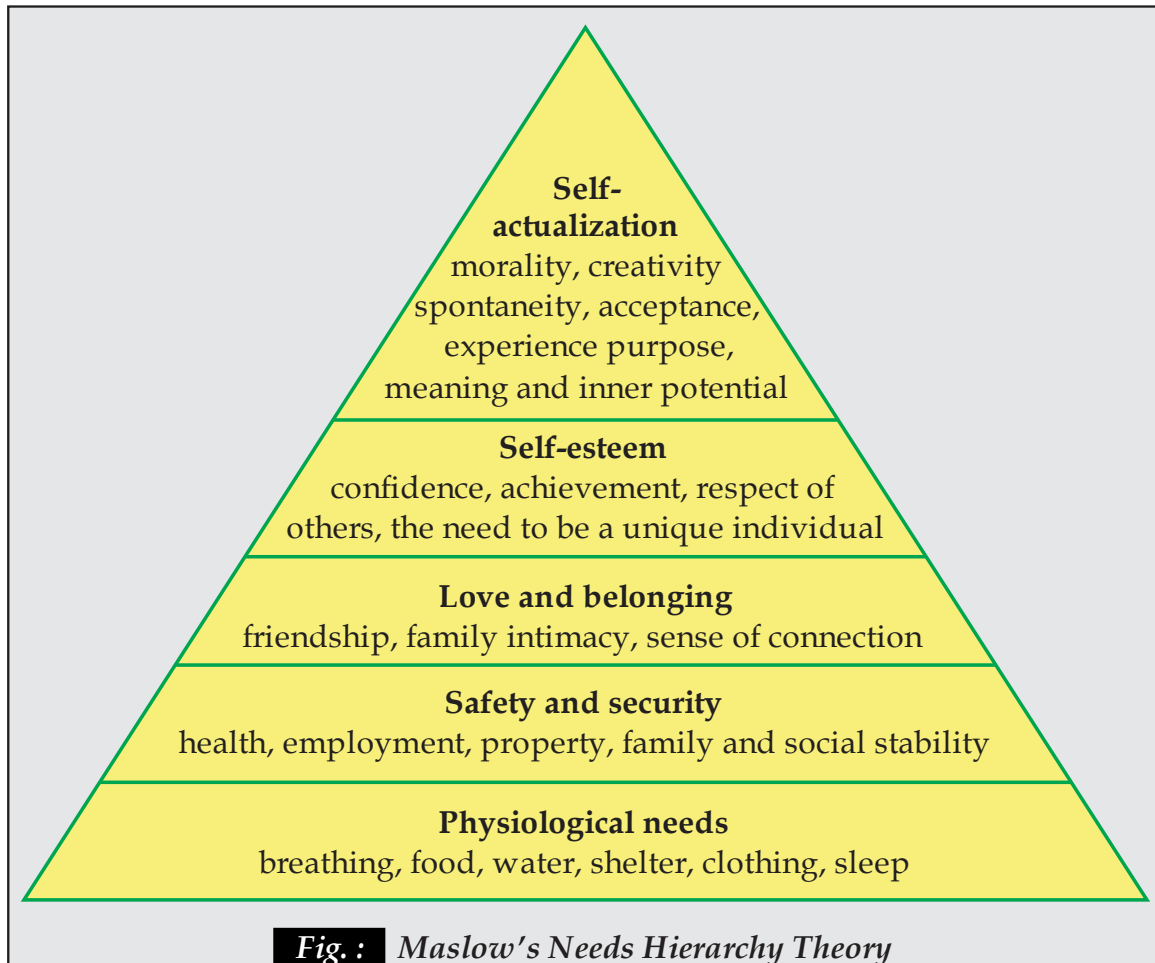
(a) Content theories and process theories. *Content theories attempt to explain those specific things, which actually motivate the individual at work. These theories are concerned with identifying people's needs and their relative strength, and the goals they pursue in order to satisfy these needs. Content theories place emphasis on what motivates.*

(b) Process theories attempt to identify the relationship among the dynamic variables, which make up motivation. *These theories are more concerned with how behavior is initiated, directed and sustained. Process theories place emphasis on the actual process of motivation.*

2. Maslow's Need Hierarchy Theory

The most well-known and pioneering theory of motivation is that of Abraham Maslow's hierarchy of needs. According to Maslow's hierarchy of human needs, people are motivated by five basic needs. These needs are arranged in the order in which a person seeks to gratify them. These needs are :

1. *Physiological needs - (food, clothing, shelter, etc.,)*
2. *The need for safety and security - (freedom from danger, job security, health-care etc.,)*
3. *The need to belong - (Acceptance by the group, friendships, love etc.,)*
4. *The need for esteem - (Recognition by others, feeling of achievement etc.,)*
5. *The need for self-actualization - (fulfillment of capacities)*



Physiological Needs : The most potent and lowest level of all the needs are physiological needs. Thus the needs of hunger, thirst, temperature regulation and rest occupy the lowest step in the ladder. According to Maslow, when these physiological needs are deprived for a long period, all other needs fail to appear we must eat to live.

Safety Needs : When the physiological needs are satisfied safety needs become the dominant force in life. Safety needs are mainly concerned with maintaining order and security, to feel secure, safe and out of danger.

Love and Belongingness Needs : These are the needs of making intimate relationship with other members of the society. People want to become an accepted member of an organized group, need a familiar environment such as family. These needs are dependent on the fulfillment and satisfaction of physiological and safety needs.

The Esteem Needs

Esteem needs are divided into the following two categories :

(a) Needs related to respect from others like reputation, status, social success and fame. The need of self-evaluation occurs in those persons who are comfortably situated and satisfied with the fulfillment of lower order needs. For example, a competent professional who has established a high reputation and does not have to worry about getting a job, may become quite choosy about what type of work he/she would accept.

(b) Self -esteem, self- respect and self- regard. The other type of esteem needs includes need to achieve, to be competent, to gain approval and to get recognition. The need to feel superior to others also falls under this category. For fulfilling this, a person may buy good quality and costly clothes.

Self-Actualization

Self-actualization refers to the desire to utilize one's personal capacities, to develop one's potentialities to the fullest and to engage in activities for which one is well suited. One should realize and be satisfied that he or she has achieved what one is capable of.

3. Alderfer's ERG Theory

Clayton Alderfer reorganized Maslow's need hierarchy into three levels of core needs:

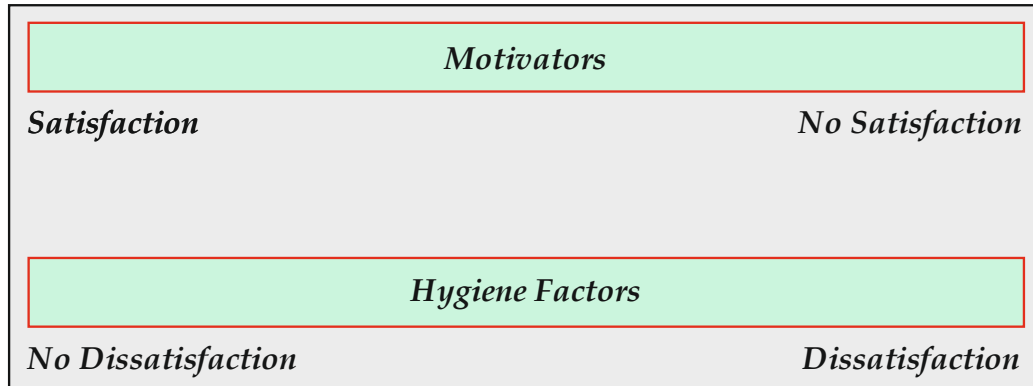
- **Existence Needs :** These include need for basic material necessities. In short, it includes an individual's physiological and physical safety needs.
- **Relatedness Needs :** These include the aspiration individuals have for maintaining significant interpersonal relationships (be it with family, peers or superiors), getting public fame and recognition. Maslow's social needs and external component of esteem needs fall under this class of need.
- **Growth Needs :** These include need for self-development and personal growth and advancement. Maslow's self-actualization needs and intrinsic component of esteem needs fall under this category of need.

ERG Theory argues like that of Maslow that satisfied lower order needs lead to the desire for satisfaction of higher order needs, but Alderfer states that multiple needs can be operating as motivators at the same time. An employee frustrated in efforts to satisfy growth needs, for example, might be motivated to satisfy the lower level relatedness needs.

4. Herzberg's Two-Factor Theory

This is also known as the two factors theory and was developed by Frederick Herzberg. In 1959, Frederick Herzberg and his associates developed a Two factor model of motivation. **According to Herzberg**, there are some job factors that result in satisfaction while there are other job factors that prevent dissatisfaction.

According to Herzberg, the opposite of "Satisfaction" is "No satisfaction" and the opposite of "Dissatisfaction" is "No Dissatisfaction".



5. Hygiene Factors

Company policies and administration, supervision, working conditions, security, status, salary, interpersonal relations are considered as maintenance factors. They are not an intrinsic part of a job, but they are related to the conditions under which a job is performed. Maintaining a hygienic work environment will not improve motivation. He found that the presence of hygiene factors will prevent dissatisfaction, but do not increase satisfaction or motivation and the absence of which, increase dissatisfaction with the job. Hence he called these factors as dissatisfies/maintenance factors.

Hygiene Factors Include :

- **Pay :** The pay or salary structure should be appropriate and reasonable. It must be equal and competitive to those in the same industry in the same domain.
- **Company Policies and Administrative Policies :** The company policies should not be too rigid. They should be fair and clear. It should include flexible working hours, dress code, breaks, vacation, etc.
- **Fringe Benefits :** The employees should be offered health care plans (medic aim), benefits for the family members, employee help programs, etc.
- **Physical Working Conditions :** The working conditions should be safe, clean and hygienic. The work equipment's should be updated and well-maintained.
- **Status :** The employees' status within the organization should be familiar and retained.
- **Interpersonal Relations :** The relationship of the employees with his peers, superiors and subordinates should be appropriate and acceptable. There should be no conflict or humiliation element present.
- **Job Security :** The organization must provide job security to the employees.

Motivational Factors : According to Herzberg, the hygiene factors cannot be regarded as motivators. The motivational factors yield positive satisfaction. These factors are inherent to work. These factors motivate the employees for a superior performance. These factors are called satisfier. These are factors involved in performing the job. Employees find these factors intrinsically rewarding. The motivators symbolized the psychological needs that were perceived as an additional benefit.

Motivational factors include:

- **Recognition** : The employees should be praised and recognized for their accomplishments by the managers.
- **Sense of Achievement** : The employees must have a sense of achievement. This depends on the job. There must be a fruit of some sort in the job.
- **Growth and Promotional Opportunities** : There must be growth and advancement opportunities in an organization to motivate the employees to perform well.
- **Responsibility** : The employees must hold themselves responsible for the work. The managers should give them ownership of the work. They should minimize control but retain accountability.
- **Meaningfulness of The Work** : The work itself should be meaningful, interesting and challenging for the employee to perform and to get motivated.

Herzberg's theory is closely related to Maslow's need hierarchy. On a comparison, one can see that the maintenance or hygiene factors are roughly equivalent to Maslow's lower level needs and the motivators are roughly equivalent to Maslow's higher level needs.

6. Equity Theory of Motivation

Equity theory postulates that people are not concerned merely with the reward they get for their contributions rather they compare their efforts and rewards with those of others. Thus where an individual finds that he is getting less rewards in relation to other people in the organization for the same contribution and outcome he would surely be tempted to resort to negative behavior so that balance is maintained.

7. Goal Theory

Goal theory was developed by Locke and Latham (1979) and it states that motivation and performance are higher when individuals have set specific goals, when goals are difficult, but accepted, and when there is a feedback on performance. Participation in goal setting is important as a means of getting agreement to the setting of higher goals (Armstrong, 2010). Erez and Zidon (1984) emphasized the need for acceptance of and commitment to goals. They found that as long as they are agreed, demanding goals lead to better performance than easy ones.

Locke, Smith, Erez, Chah and Shaffer (1994) point out that, goals inform individuals to achieve particular levels of performance, in order for them to direct and evaluate their actions, while performance feedback allows the individual to track how well he or she has been doing in relation to the goal so that adjustments in effort, direction or task strategies can be made.

8. Theory X and Theory Y

Douglas McGregor proposed two distinct views of human beings: one basically negative, labeled Theory X and the other basically positive, labeled Theory Y. These labels describe contrasting sets of assumptions about human nature.

Theory X assumes that most people prefer to be directed, are not interested in assuming responsibility and want safety above all. It is the traditional view of management that suggests that managers are required to coerce, control or threaten employees in order to motivate them.

Assumptions about Human Nature under Theory X:

1. *Employees inherently dislike work, and whenever possible will attempt to avoid it.*
2. *Employees are not ambitious, and they avoid responsibility.*
3. *Employees must be coerced, controlled, directed and threatened with punishment to achieve organizational objectives.*
4. *Employees lack creative ability in solving organizational problems.*
5. *Employees seek security and economic rewards.*

Theory X is a conventional approach of management, based on traditional assumptions about human behavior. It is negative, traditional and autocratic style. Drawing heavily on Maslow's hierarchy of needs, Theory X assumes that lower order needs dominate individuals. But in fact, Management by direction and control may not be effective for motivating people whose physiological and safety needs are reasonably satisfied and whose social, esteem and self-actualization needs are becoming predominant.

Assumptions about Human Nature under Theory Y:

1. *Employees can view work as natural as play or rest.*
2. *People are not by nature passive or resistant to organizational needs. They can exercise self-direction and self-control, if they are properly motivated.*
3. *Employees have creative capacity in solving organizational problems.*
4. *An average employee learns, under proper conditions, not only to accept but also to seek responsibility.*
5. *Self-control is often indispensable in achieving organizational goals.*

Thus, Theory Y assumptions present a high degree of faith in the capacity and potentiality of people. Theory Y assumes that higher order needs dominate individuals. Unfortunately, there is no conclusive evidence to confirm that either set of assumptions are valid. Both Theory X and Theory Y assumptions may be appropriate in a particular situation.

Chris Argyris has postulated a descriptive and multidimensional developmental process along which individuals in an organization naturally grow towards maturity. He has examined various industrial organizations to determine the effect of management practices on individual behavior and their personal growth in work environment. Argyris noticed that there are seven basic changes that take place in the personality of individuals moving from immaturity to maturity over the years.

9. Vroom's Expectancy Theory

One of the most widely accepted explanations of motivation is **Victor Vroom's expectancy theory**. Vroom proposed his expectancy theory in 1960's as an alternative to the content models.

Vroom explains that motivation is a product of three factors, viz, Valence (how much one wants a reward), Expectancy (one's estimate of the probability that effort will result in successful performance) and Instrumentality (one's estimate that performance will result in receiving the reward). This motivational relationship is expressed in the form of a formula.

$$\text{Motivation} = V \times E \times I \text{ (Valence} \times \text{Expectancy} \times \text{Instrumentality)}$$

10. Reinforcement Theory

Reinforcement theory applies the behaviorist learning theories to motivation. Also called Organizational Behavior Modification Theory or O.B. Model developed by **B.F Skinner** is quite different from the cognitive theories of motivation. While cognitive theories like Maslow's need hierarchy argues that internal needs lead to behavior, *reinforcement theory states that external consequences tend to determine behavior. It ignores the inner state of needs of the individual.*

11. Adam's Equity Theory Evolved from Social Comparison Theory

Adam's theory of Equity" is considered as one of the popular social exchange theories, gained widespread attention only in the recent past. Developed by **J. Stacy Adams**, *Equity theory states that a major input into job performance and satisfaction is the degree of equity or inequity that people perceive in their work situation.*

In simple terms, this theory states that equity occurs when the ratio of a person's outcome to his inputs equals to the ratio of another person's output to inputs. Inequity occurs when a person perceives that the ratio of his outcomes to inputs and the ratio of a relevant other's outcomes to inputs are unequal. Here, the inputs (ex. : education, social status, qualifications, age, organizational positions etc.) and outputs (ex. : rewards such as pay, promotion, the intrinsic interest in the job etc.) of a person and other are based upon the person's perceptions.

Motivational Factors

Incentive is all measures which are used to motivate people to improve performance.

Incentives are two types :

- Internal
- External

Internal Incentive

Incentive theory of motivation incentive for a greater act or promise to receive better results in condition to special behavior or act in the right way. Incentive can be a good push for employees to increase performance at work. In fact, this is a natural instinct inside humans that nobody act without purpose behind. Besides, hope about receiving rewards is a powerful incentive to motivate employees.

The most common reasons of why people would need incentive are :

- To raise efficiency
- To manage and induce a stimulus work
- To reinforce obligations at work
- Psychologically fulfill worker who guides to job satisfaction
- To graft employee enthusiasm at work
- To use the maximum of their facilities to increase labor productivity (Management study guide)

Besides there are two main categories that divide incentive on two types. These are :

(a) Monetary incentive : This is probably the most common method in modern organizations how to motivate employees. *The main reward in this method is money. Money is recognized as the main chief to satisfy people needs.* Money wages and bonuses are so universal tool that it satisfies different needs such as security, social and psychological.

(b) Non-Monetary Incentives : Besides, financial rewards there are non-financial ones. In other words these are needs that cannot be measured. *To non-monetary incentives relate satisfying psychological needs, security and also self-actualization, ego, providing flexible working hours, trainings and education, pleasant work environment.* (The Role of Monetary and Non-monetary Incentives in the Workplace).

Non-monetary incentives also divided on several types :

1. Security of Service : Security is may be the first important non-financial condition at work. If an employee does not feel secure at working place, he cannot concentrate and think about job responsibility. He will think about danger. However, if the job is secured he can do his best effort and to achieve the objects.

2. Job Enrichment : This tool is created to improve employee's utility. Employer can develop his subordinate by giving him more responsibilities. It is helpful for both sides. On the one hand, the worker become to grow and know more about organization and work where he works. Besides, getting challenges in a company the worker can prove his worth.

3. Promotion Opportunities : This is probably an effective instrument if a company is in concern. Employees will feel more satisfied and contented if they are provided opportunity to growth and development in advance.

4. Work Environment : Good working conditions have become a useful non-monetary nowadays. With developing of modern technologies and IT services employers are able now to offer coffee machines, rest-rooms, air-conditioning, washrooms and others. These conditions increase employees' morale and influence positively in work performance.

Ques. Who did give the concept of hierarchy of needs ? (NTA UGC-NET Dec 2012 P-III)

- | | |
|-----------------------|------------------|
| (A) Fredrick Herzberg | (B) Victor Vroom |
| (C) Douglas McGregor | (D) A.H. Maslow |

Ans. (D) A.H. Maslow

Ques. Which of the following is not an assumption of theory X ? (NTA UGC-NET June 2013 P-III)

- (A) An average human being has an inherent dislike of work and will avoid it if he can.
- (B) An average human being prefers to be directed, seeks to avoid responsibility, has relatively little ambition, and want security above all.
- (C) An average human being learns under proper conditions, not only to accept responsibility but also to seek it.
- (D) Most people must be coerced, controlled, directed and threatened with punishment to get them put forth adequate effort.

Ans. (C) An average human being learns under proper conditions, not only to accept responsibility but also to seek it.

Ques. Which of the following has refined Maslow's theory of motivation by proposing a hierarchy of three needs ? (NTA UGC-NET June 2013 P-III)

- | | |
|----------------|--------------|
| (A) McClelland | (B) Aldorfer |
| (C) Herzburg | (D) Vroom |

Ans. (B) Aldorfer

Ques. According to McClelland's Needs Theory, which of the following is not a motivating need ?
(NTA UGC-NET Dec. 2013 P-II)

- | | |
|--------------------------|--------------------------|
| (A) Need for Power | (B) Need for Security |
| (C) Need for Achievement | (D) Need for Affiliation |

Ans. (B) Need for Security

Ques. Match List-I and List-II and indicate the correct code : (NTA UGC-NET July 2016 P-II)

List-I

- (a) Equity theory
- (b) Vroom's theory
- (c) Porter and Lawler model
- (d) Herzberg's theory

List-II

- (i) Motivation depends on ratios of inputs and outcomes of self and others.
- (ii) People are motivated to achieve a goal to the extent that they expect that certain action will help them to reach the goal.
- (iii) There exists a complex relationship among motivation, performance and satisfaction.
- (iv) A challenging job that has opportunities for achievement, recognition, responsibility and growth will motivate employees.

Codes :

- | | (a) | (b) | (c) | (d) |
|-----|-------|-------|-------|------|
| (1) | (i) | (ii) | (iii) | (iv) |
| (2) | (ii) | (i) | (iii) | (iv) |
| (3) | (iii) | (ii) | (i) | (iv) |
| (4) | (i) | (iii) | (ii) | (iv) |

Ans. (1) (i) (ii) (iii) (iv)

Leadership

Leadership is the lifting of man's visions to higher sights, the raising of man's performance to a higher standard the building of man's personality beyond its normal limitation. *Leadership is the process of directing others towards the accomplishment of goals.* It is the ability to influence the behavior of others to accomplish particular goals. Leadership is a quality whereby individual is able to move a group towards specified goals normally without exerting force.

Leadership styles vary from autocratic or directive to very empowering (participative styles). This depends on the industry and the organization itself.

“ According Keith Davis "Leadership is the ability persuade others to seek defined objectives enthusiastically"

According to Vecchio "Leadership is the incremental influence that a person has beyond his or her formal authority."

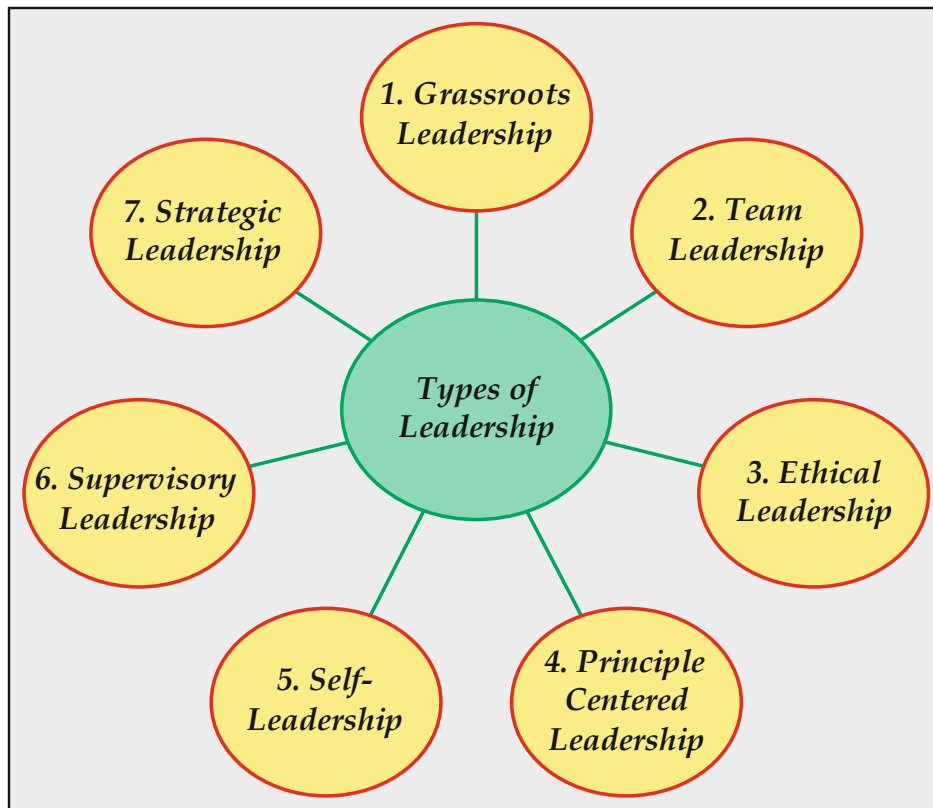
According to Koontz "Leadership is the art of the process of influencing people so that they will strive willingly and enthusiastically towards the achievement of group goals."

According to Petter F. Drucker "Leadership is the lifting of a man's vision to higher sights, the raising of a man's performance to a higher standard, the building of a man's personality beyond its normal limitations."

Therefore, we can say that leadership is a process by which an executive can direct, guide and influence the behavior and work of others towards accomplishment of specific goals in a given situation. Leadership is the ability of a manager to induce the subordinates to work with confidence and zeal.

Leadership is the potential to influence behaviour of others. It is also defined as the capacity to influence a group towards the realization of a goal. Leaders are required to develop future visions, and to motivate the organizational members to want to achieve the visions.

Types of Leadership



1. Grassroots Leadership : In this type leadership the traditional management hierarchy upside to down by empowering people to make their own decision.

2. Team Leadership : In this type of leadership leader focus in team context. A team leader is someone who provides guidance, instruction, direction and leadership to a group of other individuals (the team) for the purpose of achieving a key result or group of aligned results.

3. Ethical Leadership : Ethical leadership is leadership that is directed by respect for ethical beliefs and values and for the dignity and rights of others. It is thus related to concepts such as trust, honesty, consideration, charisma and fairness

4. Principle- Centered Leadership : Stephen R. Covey demonstrates that the answer to these and other dilemmas is Principle-Centered Leadership, a long-term, inside-out approach to developing people and organizations. The key to dealing with the challenges that face us today is the recognition of a principle-centered core within both ourselves and our organizations.

Dr. Covey offers insights and guidelines that can help you apply these principles both at work and at home leading not just to a new understanding of how to increase quality and productivity, but also to a new appreciation of the importance of building personal and professional relationships in order to enjoy a more balanced, more rewarding, more effective life.

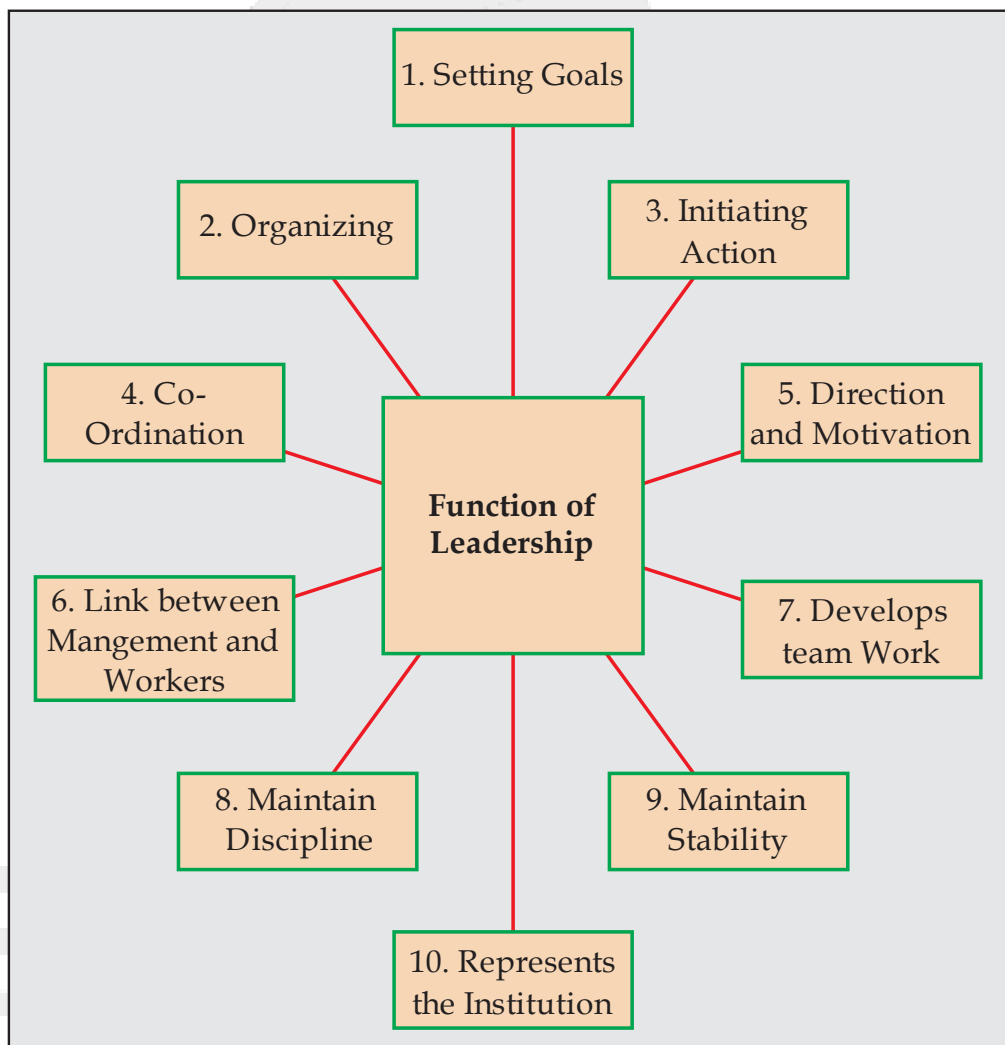
5. Self- Leadership : Self-leadership is having a developed sense of who you are, what you can do, where you are going coupled with the ability to influence your communication, emotions and behaviors on the way to get there. This concept developed by **Charles Manz and Henery Sims**. According to them *self-leadership require employees to apply the behavioral skills of self-observation. Self-set-goals, Self-reward and self-criticism.*

Self-Leadership is the first level of leadership and applies to any person, whether or not they hold a management or supervisory position. *Self-leadership is the ability of someone to guide themselves to positive places that they have never been before.*

6. Supervisory Leadership : This is a behavior that provides guidance, support and corrective feedback for the day to date activities of work unit members.

7. Strategic Leadership : It involves anticipating and imagining a viable future for the organization and working with others to initiate changes that create such as future.

Function of Leadership



1. Setting Goals : A leader is expected to perform creative function of laying out goals and policies to persuade the subordinates to work with zeal and confidence.

2. Organizing : The second function of a leader is to create and shape the organization on scientific lines by assigning roles appropriate to individual abilities with the view to make its various components to operate sensitively towards the achievement of enterprise goals.

3. Initiating Action : The next function of a leader is to take the initiative in all matters of interest to the group. He should not depend upon others for decision and judgment. He should float new ideas and his decisions should reflect original thinking.

4. Co-Ordination : A leader has to reconcile the interests of the individual members of the group with that of the organization. He has to ensure voluntary co-operation from the group in realizing the common objectives.

5. Direction and Motivation : It is the primary function of a leader to guide and direct his group and motivate people to do their best in the achievement of desired goals, he should build up confidence and zeal in the work group.

6. Link between Management and Workers : A leader works as a necessary link between the management and the workers. He interprets the policies and programs of the management to his subordinates and represents the subordinates' interests before the management. He can prove effective only when he can act as the true guardian of the interests of his subordinates.

7. Develops team Work : A good leader always attempts to gain an understanding of groups of dynamic and to develop and nature's voluntary cooperation's.

8 Maintain Discipline : A good leader gives necessary instructions and guidance to the individuals and maintains obedience through discipline.

9. Maintain Stability : A leader assists in Internal Coordination and maintain a stable work force.

10. Represents the Institution : Representing his institution in dealing with outside group such as Govt. official, Suppliers, customers and the general is another function of a leader.

Qualities of a Good Leader

A successful leader secures desired behavior from his followers. It depends upon the quality of leadership he is able to provide. A leader to be effective must possess certain basic qualities. A number of authors have mentioned different qualities which a person should possess to be a good leader.

Some of the qualities of a good leader are as follows :

- Good personality.
- Emotional stability.
- Sound education and professional competence.
- Initiatives and creative thinking.
- Sense of purpose and responsibility.
- Ability to guide and teach.
- Good understanding and sound judgment.
- Communicating skill.
- Objective and flexible approach.
- Honesty and integrity of character.
- Self-confidence, diligence and industry.
- Courage to accept responsibility



1. Improves Motivation and Morale : Through dynamic leadership managers can improve motivation and morale of their subordinates. A good leader influences the behavior of an individual in such a manner that he voluntarily works towards the achievement of enterprise goals.

2. Acts as a Motive Power to Group Efforts : Leadership serves as a motive power to group efforts. It leads the group to a higher level of performance through its persistent efforts and impact on human relations.

3. Develops Team Sprites : A good leader attempts to remove jealousies, rivalries and dividing forces among employees. He maintain esprit de corps and friendly relations among persons.

4. Needed at All Levels of Management : Leadership plays a pivotal role at all levels of management because in the absence of effective leadership no management can achieve the desired results.

5. Builds Employee Morale : Good Leadership promotes morales and satisfaction through creative problem solving and develops good human relation and voluntary cooperation.

6. Provides the Basis for Co-operation : Effective leadership increases the understanding between the subordinates and the management.

7. Sets Goals and Policies : A good leader helps set goals and policies with management.

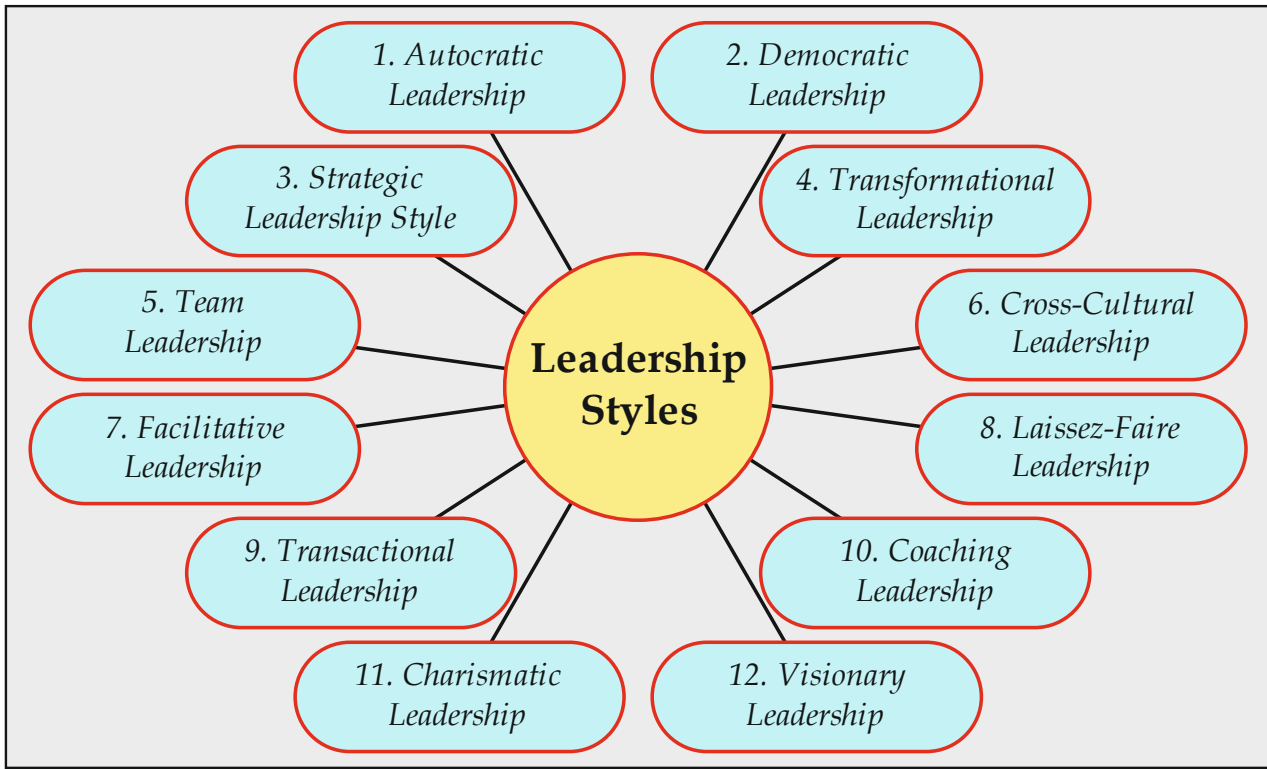
8. Helps in Training and Development of Subordinate : A leader provides training to his subordinate and create confidence in them by his superior knowledge.

9. Providing Conductive Environment : Leadership aims at creating and maintaining a satisfactory environment for employees to contribute their maximum towards achieving the goals.

10. Rectifies the Imperfectness of the Formal Organizational Relationships : No organizational structure can provide all types of relationships and people with common interest may work beyond the confines of formal relationships.

Such informal relationships are more effective in controlling and regulating the behaviour of the subordinates. Effective leadership uses their informal relationships to accomplish the enterprise goals.

Leadership Styles



Leadership is critical to a company's profitability. The methods and manner that a manager uses to spur workers toward the achievement of the company's objectives is termed leadership style. A manager may have a prevailing style or may change his style depending on the situation. This is known as situational leadership.

1. Autocratic Leadership : *Autocratic leadership style is centered on the boss. In this leadership the leader holds all authority and responsibility. In this leadership, leaders make decisions on their own without consulting subordinates. They reach decisions, communicate them to subordinates and expect prompt implementation. Autocratic work environment does normally have little or no flexibility.*

In this kind of leadership, guidelines, procedures and policies are all natural additions of an autocratic leader. Statistically, there are very few situations that can actually support autocratic leadership.

2. Democratic Leadership : *In this leadership style, subordinates are involved in making decisions. This leadership is centered on subordinates' contributions. The democratic leader holds final responsibility, but he or she is known to delegate authority to other people, who determine work projects.*

The most unique feature of this leadership is that communication is active upward and downward. With respect to statistics, democratic leadership is one of the most preferred leadership, and it entails the following: fairness, competence, creativity, courage, intelligence and honesty.

3. Strategic Leadership Style : *Strategic leadership is one that involves a leader who is essentially the head of an organization. The strategic leader is not limited to those at the top of the organization. It is geared to a wider audience at all levels who want to create a high-performance life, team or organization.*

The strategic leader fills the gap between the need for new possibility and the need for practicality by providing a prescriptive set of habits. An effective strategic leadership delivers the goods in terms of what an organization naturally expects from

4. Transformational Leadership : *Transformational leaders motivate others to do more than they originally intended and often even more than they thought possible. They set more challenging expectations and typically achieve higher performance.*

Statistically, transformational leadership tends to have more committed and satisfied followers. This is mainly so because transformational leaders empower followers.

5. Team Leadership : *Team leadership is about working with the hearts and minds of all those involved. It also recognizes that teamwork may not always involve trusting cooperative relationships. The most challenging aspect of this leadership is whether or not it will succeed. According to Harvard Business Review, team leadership may fail because of poor leadership qualities.*

6. Cross-Cultural Leadership : *This form of leadership normally exists where there are various cultures in the society. This leadership has also industrialized as a way to recognize front runners who work in the contemporary globalized market.*

Organizations, particularly international ones require leaders who can effectively adjust their leadership to work in different environs. Most of the leaderships observed in the United States are cross-cultural because of the different cultures that live and work there.

7. Facilitative Leadership : *Facilitative leadership is too dependent on measurements and outcomes - not a skill, although it takes much skill to master. The effectiveness of a group is directly related to the efficacy of its process. If the group is high functioning, the facilitative leader uses a light hand on the process.*

On the other hand, if the group is low functioning, the facilitative leader will be more directives in helping the group run its process. An effective facilitative leadership involves monitoring of group dynamics, offering process suggestions and interventions to help the group stay on track.

8. Laissez-Faire Leadership : *Laissez faire means allowing persons to do as they please. Managers that adopt this style give their employees significant freedom and autonomy. A leader with this style provides very little guidance to his subordinates. Laissez faire leadership is effective when employees are highly skilled or are experts in their field and require little supervision. However, researchers Lewin, Lippit and White found that this style ultimately resulted in lowered productivity, less cohesion and reduced job satisfaction.*

9. Transactional Leadership : *This is a leadership that maintains or continues the status quo. It is also the leadership that involves an exchange process, whereby followers get immediate, tangible rewards for carrying out the leader's orders. Transactional leadership can sound rather basic, with its focus on exchange.*

Being clear, focusing on expectations, giving feedback are all important leadership skills. Transactional leadership behaviors can include: clarifying what is expected of followers' performance; explaining how to meet such expectations; and allocating rewards that are contingent on meeting objectives.

10. Coaching Leadership : *Coaching leadership involves teaching and supervising followers. A coaching leader is highly operational in setting where results/ performance require improvement. Basically, in this kind of leadership, followers are helped to improve their skills. Coaching leadership does the following: motivates followers, inspires followers and encourages followers.*

11. Charismatic Leadership : *Charismatic leadership is basically the method of encouraging particular behaviors in others by way of eloquent communication, persuasion and force of personality. Charismatic leaders motivate followers to get things done or improve the way certain things are done. This is accomplished by conjuring up eagerness in others to achieve a stated goal or vision.*

Charisma is essentially a process - an interface between the characteristics of a charismatic leader, the group that is being led, their identification with their leader, their needs and the circumstances that require a charismatic leader like a crisis or need for change. However, as it relates to the charismatic traits of leader, prominence is placed on the way they communicate with members of the group and their ability to gain the trust of followers and inspire these individuals to perform.

Transformational leadership involves the use of charisma; however, transformational leaders are well-known for leading groups and teams that perform excellently.

12. Visionary Leadership : *Creating and sustaining a vision for an organization calls for discipline and creativity. A business leader must have the passion, strength of will, and necessary knowledge to achieve long-term goals. A focused individual who can inspire his team to reach organizational goals is a visionary business leader.*

This form of leadership involves leaders who recognize that the methods, steps and processes of leadership are all obtained with and through people. Most great and successful leaders have the aspects of vision in them.

Leadership Theories

Various theories have been developed to analyze and explain "What makes an effective leader". Theories have some framework in which consider different approaches to study leadership.

Important approaches to leadership are as under :



(a) Qualities or Traits Approaches : *This approach was based on the great person hypothesis which assume that leaders are born not made.* The scientific study of leadership began with a focus on the traits of effective leaders. The basic premise behind trait theory was that effective leaders are born, not made, thus the name sometimes applied to early versions of this idea, the "**great man**" theory. Many leadership studies based on this theoretical framework were conducted in the 1930s, 1940s, and 1950s.

Leader trait research examined the physical, mental, and social characteristics of individuals. In general, these studies simply looked for significant associations between individual traits and measures of leadership effectiveness. Physical traits such as height, mental traits such as intelligence, and social traits such as personality attributes were all subjects of empirical research.

Some important traits theories are discussed below :

1. The Great Man Theories : *Great man theories assume that the capacity for leadership is inherent - that great leaders are born, not made.* These theories often portray great leaders as heroic, mythic and destined to rise to leadership when needed. The term "Great Man" was used because, at the time, leadership was thought of primarily as a male quality, especially in terms of military leadership.

2. Trait Theories : *The Trait Approach arose from the "Great Man" theory as a way of identifying the key characteristics of successful leaders. It was believed that through this approach critical leadership traits could be isolated and that people with such traits could then be recruited, selected, and installed into leadership positions.* This approach was common in the military and is still used as a set of criteria to select candidates for commissions.

This theory states that there are certain characteristics or traits that help us lead effectively. A shortcoming of this theory is that there are so many leadership traits that work, it is hard to narrow down a single set of traits.

The problem with the trait approach lies in the fact that almost as many traits as studies undertaken were identified. After several years of such research, it became apparent that no consistent traits could be identified. Although some traits were found in a considerable number of studies, the results were generally inconclusive. Some leaders might have possessed certain traits but the absence of them did not necessarily mean that the person was not a leader.

The table below lists the main leadership traits and skills identified by Stogdill in 1974.

Traits	Skills
<ul style="list-style-type: none"> - Adaptable to situations - Alert to social environment - Ambitious and achievement - Orientated - Assertive - Cooperative - Decisive - Dependable - Dominant (desire to influence others) - Energetic (high activity level) - Persistent - Self-confident - Tolerant of stress - Willing to assume responsibility 	<ul style="list-style-type: none"> - Clever (intelligent) - Conceptually skilled - Creative - Diplomatic and tactful - Fluent in speaking - Knowledgeable about group task - Organised (administrative ability) - Persuasive - Socially skilled

(b) The Behavioral Approach : When it became clear that the trait approaches were unable to explain what caused effective leadership the reaches in the late 1940's began to study the behavior of leaders. *According to this theory successful leadership depends more on behaviors skills, and action and less on personality traits. It is shown by a person's act rather than by his traits.*

After the publication of the late Douglas McGregor's classic book *The Human Side of Enterprise* in 1960, attention shifted to 'behavioral theories'. McGregor was a teacher, researcher, and consultant whose work was considered to be "on the cutting edge" of managing people. He influenced all the behavioral theories, which emphasize focusing on human relationships, along with output and performance.

(c) McGregor's Theory X and Theory Y Managers : *Theory X and Theory Y were first explained by McGregor in his book, 'The Human Side of Enterprise,' and they refer to two styles of management - authoritarian (Theory X) and participative (Theory Y).*

Theory X managers believe that :	Theory Y managers believe that :
<ul style="list-style-type: none"> • The average human being has an inherent dislike of work and will avoid it if possible. • Because of this human characteristic, most people must be coerced, controlled, directed, or threatened with punishment to get them to put forth adequate effort to achieve organizational objectives. • The average human being prefers to be directed, wishes to avoid responsibility, has relatively little ambition, and wants security above all else 	<ul style="list-style-type: none"> • The expenditure of physical and mental effort in work is as natural as play or rest, and the average human being, under proper conditions, learns not only to accept but to seek responsibility. • People will exercise self-direction and self-control to achieve objectives to which they are committed. • The capacity to exercise a relatively high level of imagination, ingenuity, and creativity in the solution of organizational problems is widely, not narrowly, distributed in the population, and the intellectual potentialities of the average human being are only partially utilized under the conditions of modern industrial life.

Theory X assumptions would prefer an autocratic style, whereas one holding Theory Y assumptions would prefer a more participative style.

(d) Iowa Leadership Studies : The Iowa Studies of leadership were carried out in the 1939's by University of Iowa .(Lewin, Lippitt, and White) under the direction of Lewin. This study was set out to identify different styles of leadership and this early study was very influential and established three major leadership styles. This study was done on the task performance of ten-year old boys in three groups.

The rashes focused on the decision-making aspect of the leader's behavior. They classified leaders into three different types according to their style of decision making.

(e) Ohio State Leadership Studies : Ohio State Leadership Studies is Behavioral Leadership Theory. Series of studies on leadership was done by the Ohio State University in 1945 to identify **observable** behaviors of leaders instead of focusing on their individual **traits**.

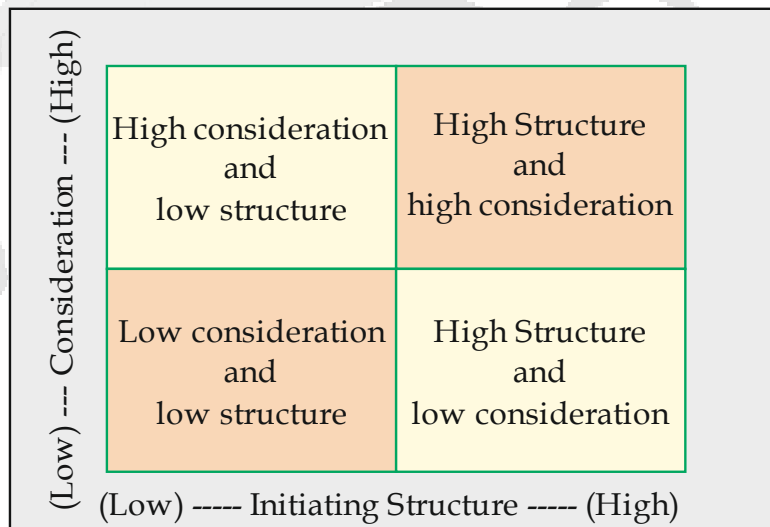
The Ohio State University Leadership Study underscores two different behavioral views on leadership: people-oriented (consideration) and task-oriented (initiating structure).

1. Task Oriented (Initiating Structure Behavior) : *The behavior of leaders who define the leader-subordinate role so that everyone knows what is expected, establish formal lines of communication, and determine how tasks will be performed.*

2. People-Oriented (Consideration Behavior) : *The behavior of leaders who are concerned for subordinates and attempt to establish a warm, friendly, and supportive climate.*

The Ohio State Leadership Studies also showed that initiating structure and consideration are two distinct dimensions and not mutually exclusive. A low score on one does not require a high score on the other.

Hence, leadership behavior can be plotted on two separate axes rather than on a single continuum, as shown in the following diagram;



The four quadrants in the above figure show various considerations of initiating structure and consideration. In each quadrant, there is a relative mixture of initiating structure and consideration and a manager can adopt any one style.

(f) Michigan Studies on Leadership Style : *The university of Michigan studies were initiated in 1947 by Rensis Likert. The studies identified two broad leadership styles - an employee orientation and a production orientation. They also identified three critical characteristics of effective leaders - task-oriented behavior, relationship-oriented behavior and participative leadership.*

The studies identified two distinct styles of leadership :

- 1. Job-centered Leadership :** *Managers using job-centered leader behavior pay close attention to subordinates' work, explain work procedures and are keenly interested in performance.*
- 2. Employee-centered Leadership :** *Managers using employee-centered leader behavior are interested in developing a cohesive work group and ensuring that employees are satisfied with their jobs.*

The Michigan Leadership Studies found that both the styles of leadership led to increase in production, but it was slightly more in case of production of job-centered style.

These two orientations parallel the authoritarian (Job) and Democratic (Relationship) aspects of the leader behavior. The Michigan Leadership Studies were-conducted around the same time as the **Ohio State Leadership Studies**, which also identified the focus on task and people.

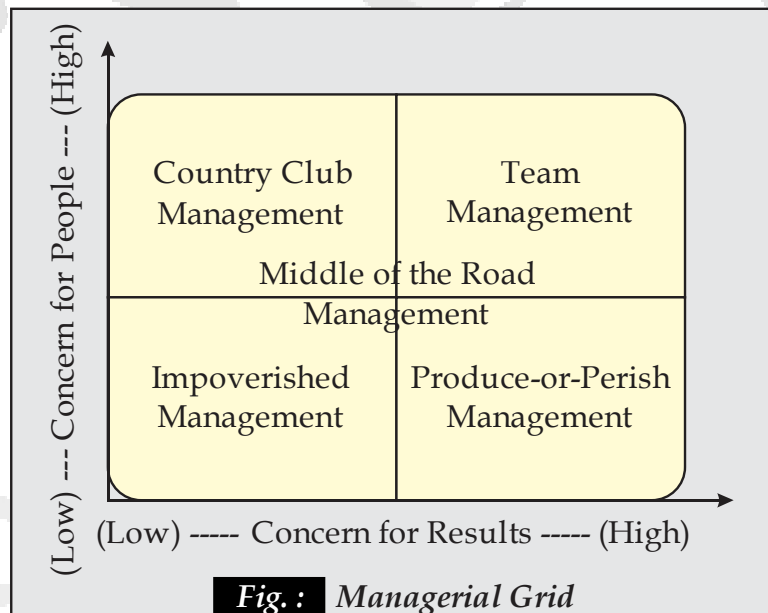
The Michigan Leadership Studies added "Participative leadership" to the Ohio findings, moving the debate further into the question of leading terms rather than just individuals.

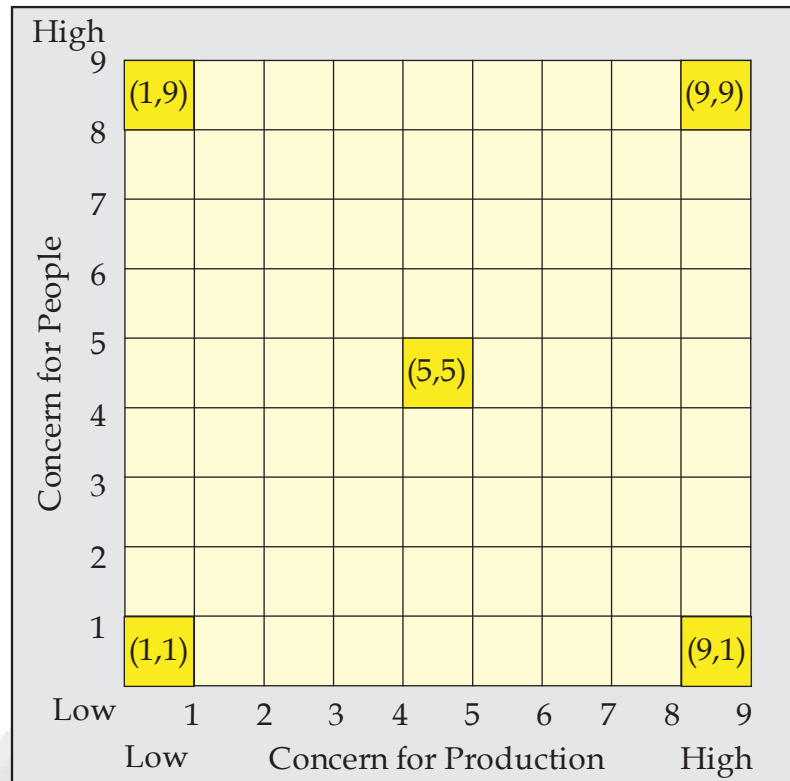
(g) Leadership Grid : The **managerial grid** model (1964) is a style leadership model developed by **Robert R. Blake** and **Jane Mouton**. This model originally identified five different leadership styles based on the concern for people and the concern for production.

The Blake Mouton Managerial Grid is based on two behavioral dimensions :

- **Concern for People:** this is the degree to which a leader considers team members' needs, interests and areas of personal development when deciding how best to accomplish a task.
- **Concern for Results:** this is the degree to which a leader emphasizes concrete objectives, organizational efficiency and high productivity when deciding how best to accomplish a task.

Blake and Mouton defined five leadership styles based on these, as illustrated in the diagram below.





The five resulting leadership styles are as follows :

1. Impoverished Management (1, 1) : Managers with this approach are low on both the dimensions and exercise minimum effort to get the work done from subordinates. The leader has low concern for employee satisfaction and work deadlines and as a result disharmony and disorganization prevail within the organization. The leaders are termed ineffective wherein their action is merely aimed at preserving job and seniority.

2. Task Management (9, 1) : Also called dictatorial or perish style. Here leaders are more concerned about production and have less concern for people. The style is based on theory X of McGregor. The employees' needs are not taken care of and they are simply a means to an end. The leader believes that efficiency can result only through proper organization of work systems and through elimination of people wherever possible. Such a style can definitely increase the output of organization in short run, but due to the strict policies and procedures, high labour turnover is inevitable.

3. Middle-of-the-Road (5, 5) : This is basically a compromising style wherein the leader tries to maintain a balance between goals of company and the needs of people. The leader does not push the boundaries of achievement resulting in average performance for organization. Here neither employee nor production needs are fully met.

4. Country Club (1, 9) : This is a collegial style characterized by low task and high people orientation where the leader gives thoughtful attention to the needs of people thus providing them with a friendly and comfortable environment. The leader feels that such a treatment with employees will lead to self-motivation and will find people working hard on their own. However, a low focus on tasks can hamper production and lead to questionable results.

5. Team Management (9, 9) : Characterized by high people and task focus, the style is based on the theory Y of McGregor and has been termed as most effective style according to Blake and Mouton. The leader feels that empowerment, commitment, trust, and respect are the key elements in creating a team atmosphere which will automatically result in high employee satisfaction and production.

The Managerial or Leadership Grid is used to help managers analyze their own leadership styles through a technique known as grid training. This is done by administering a questionnaire that helps managers identify how they stand with respect to their concern for production and people. The training is aimed at basically helping leaders reach to the ideal state of 9, 9.

(h) Transactional Leadership Style : *Transactional leadership style comprises three components; contingent reward, management-by-exception (active) and management-by-exception (passive).* A transactional leader follows the scheme of contingent rewards to explain performance expectation to the followers and appreciates good performance.

Transactional theories, also known as **management theories**, focus on the role of supervision, organization and group performance and the exchanges that take place between leaders and followers. These theories base leadership on a system of rewards and punishments.

The situations entailing high degree of precision, technical expertise, time-constraints, particularly in technological intensive environment, we shall prefer transactional leadership whereas, in human-intensive environment, where focus is on influencing the followers through motivation and respecting their emotions on the basis of common goals, beliefs and values, preferable option is transformational leadership style.

(i) Contingencies Theories : Both the trait and behavioral leadership theories were attempts to find the one best leadership style in all situations. In the late 1960s, it became apparent that there is no one best leadership style in all situations. Managers need to adapt different leadership styles, as leadership success requires adapting leadership styles to meet the situation. Thus, contingency leadership theory became the third major leadership paradigm and the leadership styles used in its models are based on the behavioral leadership theories.

Contingency theories of leadership focus on particular variables related to the environment that might determine which style of leadership is best suited for a particular work situation. According to this theory, no single leadership style is appropriate in all situations. Success depends upon a number of variables, including leadership style, qualities of followers and situational features. A contingency factor is thus any condition in any relevant environment to be considered when designing an organization or one of its elements. Contingency theory states that effective leadership depends on the degree of fit between a leader's qualities and leadership style and that demanded by a specific situation.

(j) Transformational Theories : *Relationship theories, also known as transformational theories, focus on the connections formed between leaders and followers. In these theories, leadership is the process by which a person engages with others and is able to "create a connection" that results in increased motivation and morality in both followers and leaders.* Relationship theories are often compared to charismatic leadership theories in which leaders with certain qualities, such as confidence, extroversion, and clearly stated values, are seen as best able to motivate followers.

These include connecting the follower's sense of identity and self to the mission and the collective identity of the organization; being a role model for followers that inspires them; challenging followers to take greater ownership for their work, and understanding the strengths and weaknesses of followers, so the leader can align followers with tasks that optimize their performance.

The full range of leadership introduces four elements of transformational leadership :

1. Individualized Consideration : *The degree to which the leader attends to each follower's needs, acts as a mentor or coach to the follower and listens to the follower's concerns and needs.* The leader gives empathy and support, keeps communication open and places challenges before the followers. This also encompasses the need for respect and celebrates the individual contribution that each follower can make to the team. The followers have a will and aspirations for self -development and have intrinsic motivation for their tasks.

2. Intellectual Stimulation : *The degree, to which the leader challenges assumptions, takes risks and solicits followers' ideas. Leaders with this style stimulate and encourage creativity in their followers.* They nurture and develop people who think independently. For such a leader, learning is a value and unexpected situations are seen as opportunities to learn. The followers ask questions, think deeply about things and figure out better ways to execute their tasks.

3. Inspirational Motivation : *The degree to which the leader articulates a vision that is appealing and inspiring to followers. Leaders with inspirational motivation challenge followers with high standards, communicate optimism about future goals, and provide meaning for the task at hand.* Followers need to have a strong sense of purpose if they are to be motivated to act. Purpose and meaning provide the energy that drives a group forward. The visionary aspects of leadership are supported by communication skills that make the vision understandable, precise, powerful and engaging. The followers are willing to invest more effort in their tasks, they are encouraged and optimistic about the future and believe in their abilities.

4. Idealized Influence : *Provides a role model for high ethical behavior, instills pride, gains respect and trust. As a development tool, transformational leadership has spread already in all sectors of western societies, including governmental organizations.* As an example, the Finnish Defense Forces is using widely Deep Lead Model as basic solution of its leadership training and development. The Deep Lead Model is based on the theory of transformational leadership.

(k) Situational Theories : *Situational theory proposes that leaders choose the best course of action based upon situational conditions or circumstances. Different styles of leadership may be more appropriate for different types of decision-making.* For example, in a situation where the leader is expected to be the most knowledgeable and experienced member of a group, an authoritarian style of leadership might be most appropriate. In other instances where group members are skilled experts and expect to be treated as such, a democratic style may be more effective.

(l) Participative Theory : *Participative leadership theories suggest that the ideal leadership style is one that takes the input of others into account. Participative leaders encourage participation and contributions from group members and help group members to feel relevant and committed to the decision-making process.* A manager who uses participative leadership, rather than making all the decisions, seeks to involve other people, thus improving commitment and increasing collaboration, which leads to better quality decisions and a more successful business.

Great Man Theories	Based on the belief that leaders are exceptional people, born with innate qualities, destined to lead. The use of the term 'man' was intentional since until the later part of the twentieth century leadership was thought of as a concept which is primarily male, military and Western. This led to the next school of Trait Theories
Trait Theories	The lists of traits or qualities associated with leadership exist in abundance and continue to be produced. They draw on virtually all the adjectives in the dictionary which describe some positive or virtuous human attribute, from ambition to zest for life
Behaviorist Theories	These concentrate on what leaders actually do rather than on their qualities. Different patterns of behavior are observed and categorized as 'styles of leadership'. This area has probably attracted most attention from practicing managers
Situational Leadership	This approach sees leadership as specific to the situation in which it is being exercised. For example, whilst some situations may require an autocratic style, others may need a more participative approach. It also proposes that there may be differences in required leadership styles at different levels in the same organization
Contingency Theory	This is a refinement of the situational viewpoint and focuses on identifying the situational variables which best predict the most appropriate or effective leadership style to fit the particular circumstances
Transactional Theory	This approach emphasizes the importance of the relationship between leader and followers, focusing on the mutual benefits derived from a form of 'contract' through which the leader delivers such things as rewards or recognition in return for the commitment or loyalty of the followers
Transformational Theory	The central concept here is change and the role of leadership in envisioning and implementing the transformation of organizational performance

Each of these theories takes a rather individualistic perspective of the leader, although a school of thought gaining increasing recognition is that of "dispersed" leadership. This approach, with its foundations in sociology, psychology and politics rather than management science, views leadership as a process that is diffuse throughout an organization rather than lying solely with the formally designated 'leader'. The emphasis thus shifts from developing 'leaders' to developing 'leaderful' organizations with a collective responsibility for leadership.

Management vs. Leadership

Take a moment to review the following distinctions between management and leadership:

	Management	Leadership
Concerns	Complexity	Change
Creating an Agenda	Planning and Budgeting	Establishing Direction
Developing Human Network for Achieving the Agenda	Organizing and Staffing	Aligning People
Execution	Controlling and Problem Solving	Motivating and Inspiring
Outcomes	Produces Predictability Order and Key Results	Produces Dramatic Change and Useful Change

Ques. In the managerial grid, developed by Blake and Mouton, a manager who has high consideration for production, but little concern for people is known as (NTA UGC-NET Dec. 2013 P-II)

- (A) 1.1 Management (B) 1.9 Management
(C) 9.1 Management (D) 5.5 Management

Ans. (C) 9.1 Management

Ques. A leader who identifies what subordinates need to do to achieve objectives, clarify organizational roles and tasks, set up an organization structure, reward performance and provide for the social needs of their followers, is (NTA UGC-NET June 2013 P-III)

- (A) a transformational leader (B) a participative leader
(C) a transactional leader (D) an autocratic leader

Ans. (C) a transactional leader

Ques. Managerial Grid suggests the following as the best leader behavior :

(NTA UGC-NET Dec. 2014 P-II)

- (A) High structure and high consideration
(B) Low structure and low consideration
(C) High concern both for production and people
(D) Low concern both for production and people

Ans. (C) High concern both for production and people

Ques. According to Hersey and Blanchard's situational approach to leadership, the .participating style. of leadership has : (NTA UGC-NET Dec. 2015 P-II)

- (1) High task and low relationship orientation
(2) High task and high relationship orientation
(3) Low task and high relationship orientation
(4) Low task and low relationship orientation

Ans. (3) Low task and high relationship orientation